



**CITY OF LODI
COUNCIL COMMUNICATION**

AGENDA TITLE: Authorize the sale of scrap wire and metal during calendar year 2007 (EUD)
MEETING DATE: January 17, 2007
PREPARED BY: Electric Utility Director

RECOMMENDED ACTION: That the City Council authorize the sale of scrap wire and metal at periodic intervals during the calendar year 2007.

BACKGROUND INFORMATION: During maintenance and construction of the electric distribution system, the Electric Utility Department generates quantities of scrap wire and metal. These excess materials are accumulated for subsequent sale to scrap metal companies on a highest-bid basis.

Lodi Municipal Code Section 2.12.120 requires City Council approval for sale of surplus property having a value in excess of \$2,000. During 2006, total sales of scrap wire and metals yielded \$12,105.70 (that is, \$8,033.26 on May 26, 2006 and \$4,072.44 on December 27, 2006 respectively) in material cost recovery.

It is projected that the City will hold sale bids for scrap metals at least twice during the calendar year 2007, in May and November. Therefore, Staff is recommending that the City Council authorize the sale of scrap wire and metals as is necessary during 2007, and require a report of such sales in accordance with Lodi Municipal Code.

FISCAL IMPACT: This action will provide minor cost recovery. Revenue generated for the sale of scrap metal and wire in calendar year 2006 is \$12,105.70.

FUNDING AVAILABLE: Not applicable. Account credited for the sale is 1601.5391.

George F. Morrow
Electric Utility Director

PREPARED BY: Demy Bucaneg, Jr., P.E., Manager, Engineering & Operations

GFM/DB/ist

APPROVED: Blair King, City Manager